

Message Text

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ACTION STR-05

INFO OCT-01 ISO-00 AF-10 ARA-10 EA-10 EUR-12 NEA-10
STRE-00 OIC-02 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 EB-08 FRB-03 H-01 INR-07 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15
ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 SOE-02 OMB-01
DOE-11 IO-13 /155 W
-----023051 281508Z /40

P 281550Z DEC 77
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 4410
INFO AMEMBASSY NEW DELHI

LIMITED OFFICIAL USE SECTION 01 OF 02 GENEVA 12733

STR FOR ACTION

STR PASS LAPP FOR LANDE

E.O.11652: N/A
TAGS: ETRD, GATT, MTN
SUBJECT: TROPICAL PRODUCTS NEGOTIATIONS - INDIA

1. SUMMARY: INDIAN DELEGATION RENEWED ITS REQUEST THAT
U.S. PROCEED TO IMPLEMENT U.S. TROPICAL PRODUCTS OFFER
AND GAVE US SOME DETAILS ON VARIOUS "AUTONOMOUS MEASURES"
INDIA HAS TAKEN OF TRADE INTEREST TO U.S. REQUEST
WASHINGTON ANALYSIS OF INFO GIVEN BY INDIANS AND INSTRUC-
TIONS ON NEXT STEPS TO MOVE THESE NEGOTIATIONS FORWARD.
MTN DEL'S SUGGESTIONS IN PARA 7 BELOW. END SUMMARY.

2. INDIAN DEL (KUMAR AND SANDILYA) CALLED ON CULBERT
DECEMBER 27 TO HAND OVER A "NON-PAPER" OUTLINING "AUTONO-
MOUS MEASURES IN THE DIRECTION OF TRADE LIBERALIZATION
(THAT) INDIA HAS TAKEN DURING THE COURSE OF THE LAST
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YEAR OR SO WHICH FORM PART OF INDIA'S CONTRIBUTION TO THE
OVERALL OBJECTIVES OF THE MTN." KUMAR SAID THIS MATERIAL
WAS IN RESPONSE TO A SUGGESTION IN A "NON-PAPER" INDIA
RECEIVED FROM U.S. IN WASHINGTON DURING OCTOBER WHICH
CONTAINED A SUGGESTION THAT U.S. MIGHT GIVE INDIA CREDIT
FOR ELIMINATING BRITISH COMMONWEALTH PREFERENCES AS WELL
AS OTHER RECENT INDIAN TRADE LIBERALIZATION MEASURES.

INDIANS ACCORDINGLY WISHED TO GIVE US A SUMMARY OF THEIR AUTONOMOUS MEASURES, INCLUDING DATA ON TRADE VALUE TO U.S. OF THESE ACTIONS.

3. COPY OF PAPER AND TWO ANNEXES BEING POUCHED TO STR LAPP. HIGHLIGHTS ARE:

(A) REMOVAL OF BRITISH COMMONWEALTH PREFERENCES BECAME EFFECTIVE JULY 1976. DETAILS OF 20 CATEGORIES OF GOODS AFFECTED INDICATE PREFERENCE MARGIN WAS 10 PERCENT FOR ALMOST ALL ITEMS. U.S. EXPORTS TO INDIA OF AFFECTED ITEMS AMOUNTED TO CLOSE TO \$20 MILLION IN 1975-76, OVER 11 PERCENT OF TOTAL INDIAN IMPORTS OF THESE ITEMS.

(B) MANY CATEGORIES OF MACHINE TOOLS AND GENERAL MACHINERY WERE PLACED ON FREE LICENSING LIST AS OF APRIL 1977 FOR FISCAL YEAR ENDING MARCH 1978. U.S. EXPORTED APPROXIMATELY \$2 MILLION OR 7 PERCENT OF TOTAL INDIAN IMPORTS OF THESE ITEMS.

(C) NON-PAPER RECAPITULATES INDIAN ACTIONS CONCERNING EXPORTS OF MICA ANNOUNCED IN APRIL 1976 (REDUCTION OF FLOOR PRICES, ELIMINATION OF SHARING FORMULA FOR CERTAIN SPECIFIED TYPES OF MICA, AND ELIMINATION OF DIVISION OF MICA SCRAP INTO TWO CATEGORIES).

(D) DUTY ON POLYNINYL CLORIDE RESINS IN CHAPTER 39 LIMITED OFFICIAL USE

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OF INDIAN TARIFF WAS REDUCED ON NOVEMBER 3, 1977, FROM 100 PERCENT TO 30 PERCENT; ACTION VALID UP TO 31 MARCH 1978 AND MAY OR MAY NOT BE CONTINUED THEREAFTER.

(E) MORE LIBERAL IMPORT LICENSE PROCEDURES FOR DRY, SALTED OR PRESERVED FRUITS INCLUDING ALMONDS.

4. KUMAR COMMENTED THAT U.S. HAD REQUESTED INDIA TO REMOVE COMMONWEALTH PREFERENCES IN STAGES BY JANUARY 1, 1978, BUT INDIA HAD REMOVED THEM EVEN FASTER. HE NOTED INDIAN ACTIONS AFFECTING MICA AND ALMONDS WERE ALSO RESPONSIVE TO U.S. REQUESTS AND TARIFF REDUCTION ON POLYNINYL CLORIDE RESINS WAS GREATER THAN U.S. HAD REQUESTED. HE BELIEVED THERE WAS SOME OVERLAP BETWEEN MACHINERY ITEMS PLACED ON FREE LICENSING AND U.S. REQUESTS BUT DID NOT HAVE SUFFICIENTLY PRECISE DATA TO SPECIFY DEGREE OF OVERLAP.

5. KUMAR EMPHASIZED THAT ALL OF THE FOREGOING INDIAN ACTIONS WERE ALREADY IN EFFECT, SOME OF THEM FOR A CONSIDERABLE PERIOD OF TIME. HE THEREFORE HOPED U.S. WOULD TAKE THESE INTO ACCOUNT AS INDIA'S CONTRIBUTIONS

TO THE MTN, PARTICULARLY WHEN ACTIONS ARE RESPONSIVE
TO U.S. REQUESTS, AND THAT U.S. WOULD CONSIDER THEM OF
SUFFICIENT VALUE FOR U.S. TO PROCEED TO IMPLEMENT U.S.
TROPICAL PRODUCTS OFFER. (KUMAR MADE NO REFERENCE TO
IMPROVEMENTS IN U.S. OFFER DURING THIS MEETING.)

6. CULBERT AGREED TO TRANSMIT ABOVE INFO TO WASHINGTON
FOR ANALYSIS BUT OBSERVED THAT IT WAS NOT CLEAR U.S.
COULD COUNT ON CONTINUATION OF INDIAN LIBERALIZATION
ACTIONS BEYOND END OF MARCH 1978. HE ALSO SAID WE WERE
INTERESTED IN AN IMPROVEMENT OF ALMOND LICENSING SYSTEM
(REMOVAL OF RS. 10,000 LIMIT) AND WE HAD A STRONG
INTEREST IN INDIAN LIBERALIZATION OF VEGETABLE PROTEINS.
KUMAR DID NOT RESPOND DIRECTLY BUT GAVE IMPRESSION GOI
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ACTION STR-05

INFO OCT-01 ISO-00 STRE-00 AF-10 ARA-10 EA-10 EUR-12
NEA-10 OIC-02 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 EB-08 FRB-03 H-01 INR-07 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15
ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 SOE-02 OMB-01
DOE-11 IO-13 /155 W

-----023059 281508Z /44

P 281550Z DEC 77

FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 4411
INFO AMEMBASSY NEW DELHI

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STR FOR ACTION

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NOT RESPONSIVE TO IMPROVEMENTS; INSTEAD, KUMAR'S ATTITUDE

SEEMED TO BE HERE IS WHAT WE HAVE DONE, MUCH OF IT
RESPONSIVE TO SPECIFIC U.S. REQUESTS, HERE IS THE TRADE
VALUE TO THE U.S., ISN'T THIS ENOUGH?

7. COMMENT: INDIAN "NON-PAPER" OPENS THE DOOR TO
RESUMPTION OF NEGOTIATIONS THAT HAVE BEEN PROCEEDING AT
SLOW AND SPORADIC PACE. SUGGEST WASHINGTON ANALYZE
MATERIAL BEING POUCHED AND CONSIDER NEXT STEPS WE SHOULD
TAKE. IT SEEMS CLEAR GOI DOES NOT WANT TO GIVE UP ITS
POSITION OF PRINCIPLE THAT LDC CONTRIBUTIONS SHOULD BE TO
THE OVERALL MTN RATHER THAN IN TROPICAL PRODUCTS CONTEXT
ALONE. THIS RAISES PROBLEM OF HOW TO RECORD AN UNDER-
STANDING WITH INDIA AND HOW TO PRESERVE BALANCE BETWEEN
U.S. MFN ACTIONS AND AUTONOMOUS INDIAN ACTIONS. KUMAR
DID SAY WITHDRAWAL OF BRITISH PREFERENCES IS PERMANENT
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AND IT WOULD PRESUMABLY NOT BE TOO DIFFICULT TO HAVE
THIS CONFIRMED IN AN EXCHANGE OF LETTERS. PERHAPS TIME
HAS COME TO EXPLORE WITH INDIA U.S. IMPLEMENTATION OF
PART OF U.S. OFFER (E.G., WHERE INDIA IS PRINCIPAL AND/OR
POSSIBLY SUBSTANTIAL SUPPLIER) ON NON-BOUND BASIS
(REFERENCE PARA 7, STATE 246483). WE ALSO WOULD FAVOR
ANOTHER ATTEMPT TO URGE INDIA TO RAISE LICENSING VALUE
LIMIT ON ALMONDS AS WELL AS SOME ACTION ON VEGETABLE
PROTEINS.

8. DRAFTED BY CULBERT. MCDONALD

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770483-0411
Format: TEL
From: GENEVA
Handling Restrictions: n/a
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Legacy Key: link1977/newtext/t19771213/aaaaakfp.tel
Line Count: 202
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Litigation History:
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Office: ACTION STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
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Review Action: RELEASED, APPROVED
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 122787
Secure: OPEN
Status: NATIVE
Subject: TROPICAL PRODUCTS NEGOTIATIONS - INDIA
TAGS: ETRD, GATT, MTN
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/10025efc-c188-dd11-92da-001cc4696bcc
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